

United States Senate

WASHINGTON, DC 20510

September 10, 2007

The Honorable George W. Bush
President
United States of America
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear Mr. President,

We are writing today to express our strong opposition to the recent requirements laid out by the Centers for Medicare & Medicaid Services (CMS) regarding the State Children's Health Insurance Program (SCHIP). The letter sent from CMS to State Health Officials on August 17 included new requirements for states that wish to continue covering or those seeking to extend coverage to children in families with incomes above 250 percent of the federal poverty level.

We oppose these new requirements as they will result in the loss of coverage for tens of thousands of children and could block efforts underway by other states working to insure more kids. SCHIP provides health insurance to low-income children whose parents work. Unfortunately, for most, their parents earn too much to qualify for Medicaid, yet cannot afford private coverage. Therefore, SCHIP has served as a vital safety net filling the void and protecting against increased numbers of uninsured children. Thus, as access to private insurance has grown farther and farther out of reach of the working poor, many states have shown leadership by utilizing SCHIP to expand coverage. Unfortunately, the new restrictions outlined in the CMS letter impose unnecessary and insurmountable roadblocks to a state's ability to help additional uninsured children.

Further, the policy, as outlined in the August 17 letter, represents a dramatic change in Administration policy. At least one-third of states now cover children above 250 percent of the federal poverty level, nearly all of which were approved during your tenure, with additional states working to implement plans to cover children at or above this level. More troubling, this policy was released just weeks after the Senate passed a bipartisan bill reauthorizing SCHIP that allows states to continue covering children under their current approved plan and to expand coverage to children with family incomes up to 300 percent of poverty. While the Administration has expressed opposition to this bill, it passed with support from more than two-thirds of the Senate, reflecting the immense support for this program and the policies designed to reach uninsured children.

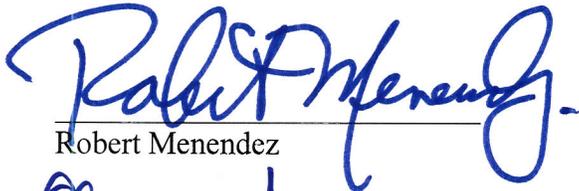
We agree that all states should be making an effort to identify and enroll low-income children in Medicaid and SCHIP. That is why the Senate-passed bill provides incentives and establishes outreach and enrollment goals to cover low-income children should states wish to expand their

programs. CMS' proposed rule, however, requires states to meet unattainable enrollment levels and will only result in the loss of coverage. Furthermore, the rule would require that children remain uninsured for 12 months. This not only places our nation's young people in harms way, it could serve to drive up health care costs due to over utilization of Emergency Rooms. Not only is this bad public policy, but it could actually harm America's children.

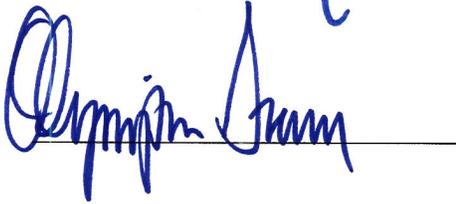
In conclusion, we urge you to withdraw CMS' new requirements. At the very least, we urge you to more appropriately propose this policy as a formal rule under the normal procedure with a notification and comment period. Failure to do so could harm tens of thousands of our nation's children and they deserve a chance to be heard.

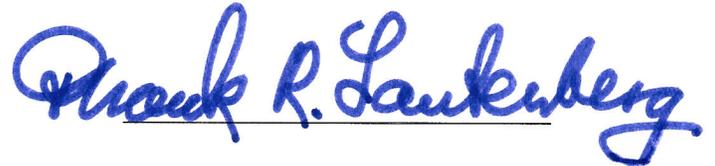
We look forward to working with you in a bipartisan manner to ensure that America's children do not lose the health coverage they so desperately need.

Sincerely,


Robert Menendez


Gordon H. Smith


Olympia Snowe

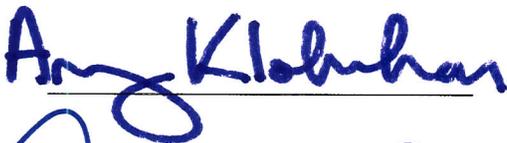

Frank R. Lautenberg


Daniel K. Akaka

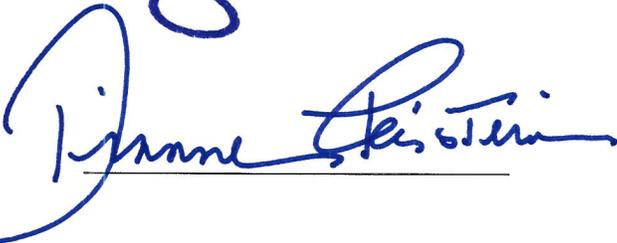

Susan M. Collins

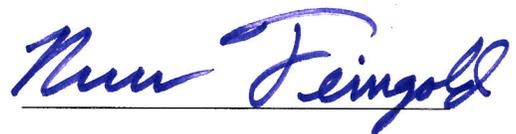

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